

108TH CONGRESS  
1ST SESSION

# S. 913

To amend the Federal Deposit Insurance Act to provide for the return of excess amounts in Federal deposit insurance funds to financial institutions for use in their communities, with such distributions allocated according to the historical basis of contributions made to the funds by such institutions.

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IN THE SENATE OF THE UNITED STATES

APRIL 11, 2003

Mr. SANTORUM introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Federal Deposit Insurance Act to provide for the return of excess amounts in Federal deposit insurance funds to financial institutions for use in their communities, with such distributions allocated according to the historical basis of contributions made to the funds by such institutions.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Deposit Insurance  
5       Fairness and Economic Opportunity Act”.

1 **SEC. 2. DIVIDEND OF EXCESS DEPOSIT INSURANCE FUNDS**  
 2 **TO INSURED DEPOSITORY INSTITUTIONS.**

3 Section 7(b)(2) of the Federal Deposit Insurance Act  
 4 (12 U.S.C. 1817(b)(2)) is amended by inserting after sub-  
 5 paragraph (C) the following:

6 “(D) DIVIDEND OF EXCESS DEPOSIT IN-  
 7 SURANCE FUNDS.—

8 “(i) IN GENERAL.—Notwithstanding  
 9 subsection (e)(2), the Board of Directors  
 10 shall distribute any excess amounts de-  
 11 scribed in clause (ii) to insured depository  
 12 institutions insured by the Bank Insurance  
 13 Fund or the Savings Association Insurance  
 14 Fund, as applicable, in the form of a divi-  
 15 dend, the allocation of which shall be made  
 16 in accordance with clause (iii).

17 “(ii) DIVIDEND DISTRIBUTION CRI-  
 18 TERIA.—Excess amounts shall be distrib-  
 19 uted as dividends in accordance with this  
 20 subparagraph to the extent that—

21 “(I) the amount of funds in the  
 22 Bank Insurance Fund exceeds 1.40  
 23 percent of the total estimated deposits  
 24 insured by that Fund; and

25 “(II) the amount of funds in the  
 26 Savings Association Insurance Fund

1 exceeds 1.40 percent of the total esti-  
2 mated deposits insured by that Fund.

3 “(iii) BASIS FOR DISTRIBUTION OF  
4 DIVIDEND.—

5 “(I) IN GENERAL.—Solely for the  
6 purpose of dividend distribution under  
7 this subparagraph, the Corporation  
8 shall determine the relative contribu-  
9 tion of each insured depository insti-  
10 tution to the Bank Insurance Fund  
11 and the Savings Association Insurance  
12 Fund, as applicable, for calculating  
13 the share of the institution of any div-  
14 idend determined under this subpara-  
15 graph, taking into account the factors  
16 described in subclause (II).

17 “(II) FACTORS FOR DISTRIBU-  
18 TION.—In implementing this subpara-  
19 graph, the Corporation shall take into  
20 account with respect to an insured de-  
21 pository institution (including any  
22 predecessor thereto)—

23 “(aa) the ratio of the assess-  
24 ment base of the insured deposi-  
25 tory institution on December 31,

1 1996, that is attributable to a  
2 particular insurance fund, to the  
3 assessment base attributable to  
4 that insurance fund of all eligible  
5 insured depository institutions on  
6 that date;

7 “(bb) the total amount of  
8 assessments paid on or after  
9 January 1, 1997, by the insured  
10 depository institution to that in-  
11 surance fund;

12 “(cc) that portion of assess-  
13 ments paid by the insured deposi-  
14 tory institution that reflects high-  
15 er levels of risk assumed by such  
16 institution; and

17 “(dd) such other factors as  
18 the Corporation may determine  
19 to be appropriate.

20 “(iv) RULE OF CONSTRUCTION.—For  
21 purposes of this subparagraph, references  
22 to the ‘Bank Insurance Fund’ and the  
23 ‘Savings Association Insurance Fund’ shall  
24 include any successor to such fund or  
25 funds.”.

1 **SEC. 3. REGULATIONS.**

2       The Federal Deposit Insurance Corporation shall  
3 promulgate such regulations as may be necessary to carry  
4 out section 7(b)(2)(D) of the Federal Deposit Insurance  
5 Act, as added by this Act.

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